

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03 H-02 PRS-01

PA-01 SAJ-01 AGR-05 INT-05 ITC-01 OES-06 /099 W

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FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC IMMEDIATE 8009

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E.O. 11652: N/A

TAGS: EEWT, RO

SUBJECT: LONG-TERM AGREEMENT NEGOTIATIONS: MAY 14-19

REF: BUCHAREST 2746

1. SUMMARY. FIRST REVIEW OF TEXT UP TO ANNEXES COMPLETED MAY 17, WITH MOST LANGUAGE AGREED UPON, BUT WITH IMPORTANT ISSUES OF SUBSTANCE REMAINING. DISCUSSION OF US ANNEX BEGUN MAY 18, WITH ROMANIANS BEING UNEXPECTEDLY FORTHCOMING, ACCEPTING LARGE CHUNKS OF US PROPOSAL WITHOUT COMMENT. GOR CLEARLY APPEARS TO BE OFFERING US MUCH OF WHAT IT WANTS IN ANNEX IN ORDER TO GET FROM US WHAT ROMANIA WANTS ELSEWHERE. END SUMMARY.

2. DISCUSSION OF GOR DRAFT ARTICLE IV (ECONOMIC INFORMATION) BEGAN MAY 14. GOR READILY ACCEPTED TEXTUAL CHANGES IN INTRODUCTORY PARAGRAPH TO REFLECT OUR VIEWS THAT PARTIES SHOULD "MAKE AVAILABLE" RATHER THAN "FACILITATE EXCHANGE OF" INFORMATION, THAT REQUESTS FOR INFORMATION MAY COME FROM NON-GOVERNMENTAL PARTIES, AND THAT MARKET FORECASTS  
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SHOULD BE REFERRED TO. "AS APPROPRIATE" WAS INCLUDED IN INTRODUCTORY PARAGRAPH AFTER LONG DISCUSSION OF OUR EXPLANATION THAT USG OFFICIALS MIGHT NOT PROPERLY DISCLOSE CERTAIN TYPES OF INFORMATION RECEIVED FROM FIRMS, EVEN IF THSF

INFORMATION IS NOT, STRICTLY SPEAKING, PROPRIETARY OR LEGALLY PROTECTED. DISCUSSION ON REMAINDER OF ARTICLE IV HAS DRAGGED PAINFULLY, WITH GOR DEL PROFESSING TO UNDERSTAND COMPANIES' NEED FOR INFORMATION BUT GENERALLY UNWILLING TO SPECIFY TYPES OF INFORMATION WE CONSIDER MOST VALUABLE. US DEL WAS LEFT WITH IMPRESSION THAT GOR DEL WANTED TO LEAVE ARTICLE IV OPEN TO VARIOUS INTERPRETATIONS THAT WOULD PERMIT MINISTRY TO INSIST WITH US THAT IT INCLUDED EVERYTHING, WITH OTHER GOR AGENCIES THAT IT INCLUDED NOTHING SENSITIVE, AND, IN CONTRACT NEGOTIATIONS WITH FIRMS, TO ENSURE THAT ONLY WHAT GOR CONSIDERS NECESSARY IS PROVIDED IN EACH CASE.

3. GOR INITIALLY ARGUED THAT ALL TYPES OF INFORMATION SOUGHT BY THE US COULD BE INCLUDED IN TWO BROAD GROUPS: STATISTICS AND REGULATIONS, AND INFORMATION RELATING TO FIRMS. US DEL COUNTERED WITH AN OFFER TO TRY TO GROUP THE

TYPES OF INFORMATION IN THREE SUBPARAGRAPHS, ON STATISTICS, INFORMATION AND REGULATIONS OF GENERAL CHARACTER, AND INFORMATION ON FIRMS, BUT CONTINUED TO EMPHASIZE NEED TO

SPECIFY PARTICULAR TYPES OF INFORMATION OF SPECIAL INTEREST.

4. ARTICLE IV (A): GOR DEL ARGUED THAT NATURAL RESOURCES DATA SOUGHT BYNRS DRAFT FELL WITHIN S STATISTICS ON PRODUCTION, WHICH IN VIEW OF ROMANIAN SENSITIVITIES RE DISCLOSURE OF MUCH OF THIS TYPE OF DATA, US DEL ACCEPTED. GOR WOULD NOT AGREE TO INCLUDE STATISTICS ON WAGES AND EMPLOYMENT, ARGUING THAT THESE WERE INTERNAL MATTERS, THAT EMPLOYMENT COULD BE CALCULATED FROM DATA ON PRODUCTION AND PRODUCTIVITY, AND THAT WAGE LEVELS WERE NOT COMPARABLE TO US BECAUSE OF THE SOCIAL BENEFITS RECEIVED BY WORKERS UNDER ROMANIAN SYSTEM. US DEL HELD OUT FOR REFERENCE TO STATISTICS ON WAGES, SUBJECT TO FURTHER DISCUSSION OF THE NEED FOR HIRING AND COMPENSATION PROVISIONS UNDER THE US-LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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PROPOSED ANNEX. US SOUGHT TO FIND LANGUAGE TO INDICATE THAT STATISTICAL DATA TO BE PROVIDED SHOULD GO BEYOND PUBLISHED DATA. GOR DEL WOULD NOT ACCEPT ANY EXPLICIT PROVISION, BUT UNTIMATELY ACCEPTED THE QUOTE ALL STATISTICAL DATA...NECES-

SARY TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT CLOSE QUOTE CUQLOMISE PROPOSED BY THE US.

5. ARTICLE IV (B): US PROPOSAL SUMMARIZING GENERAL INFORMATION AND REGULATIONS RAN INTO RIGID ROMANIAN RESISTENCE TO SPECIFIC REFERENCES TO CURRENCY OR EXCHANGE RATES, WITH GOR DEL INSISTING SUCH INFORMATION FELL WITHIN

BANKING AND FINANCIAL INFORMATION HEADING. AFTER HEAVY TWO-DAY DEBATE ON ROMANIAN SYSTEM OF VARIABLE RATES OF EXCHANGE BETWEEN DOMESTIC PRICES AND HARD CURRENCY COSTS, IMPORTANCE OF SUCH INFORMATION TO POTENTIAL COOPERATION PROJECTS BECAME EVEN MORE OBVIOUS. GOR ULTIMATELY ADMITTED THAT ALTHOUGH THERE IS ONLY ONE OFFICIAL RATE OF EXCHANGE BETWEEN THE "LEI VALUTA" AND HARD CURRENCY (ASIDE FROM THE PREMIUM RATE RECEIVED BY TOURISTS), THE CALCULATION OF A LEI VALUTA PRICE FROM THE DOMESTIC PRICE COULD BE BASED ON AN INFINITE VARIETY OF RATIOS. THIS STRENGTHENED US DEL'S CONCERN THAT A US COMPANY CANNOT NECESSARILY ANTICIPATE ALL FS HARD CURRENCY COSTS DURING ITS ORIGINAL CONTRACT NEGOTIATIONS, AND THAT NON-DISCRIMINATORY FINANCIAL PROVISIONS OF ARTICLE VI OF TRADE AGREEMENT ARE MORE ELUSIVE THAN EVER.

6. ARTICLE IV (C): US DEL PROPOSED A SUBPARAGRAPH COMBINING US DRAFT PARA 2 (D) A ROMANIAN UTTERS

IN CATALOGS AND PROMOTIONAL MATERIAL. AFTER CONSIDERING IT OVER THE WEEKEND, GORNB;JZSHKED ': "LISTS AND ORGANIZATIONAL CHARTS". US DEL OFFERED ANOTHER VERSION BEGINNING "CURRENT LISTS, DIRZRZBDIES, AND DESCRIPTIONS OF ORGANIZATIONAL STRUCTURES OF FIRMS....ETC". GOR AGREED ONLY TO CONSIDER IHYN FOR NO OBVIOUS REASON EXCEPT THAT GOR DEPUTY CHIEF OF DELEGATION STANCA WAS STILL HOT AND SORE FROM THE EXCHANGE RATE DEBATE. IT IS ALSO POSSIBLE THAT DATA ON THE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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INTERNAL ORGANIZATION OF ROMANIAN ECONOMIC ORGANIZATIONS MAY REQUIRE CLEARANCE FROM OTHER MINISTRIES, OR THAT GOR MAY WISH TO SAVE A FEW ITEMS IN THIS ARTICLE FOR TRADING PURPOSES.

7. AFTERNOON SESSION MAY 17 MOVED MUCH FASTER. ALTHOUGH

NOTE BY OC/T: BUCHAREST 2877 SEC 1/3 GARBLED TEXT THRUOUT, CORRECTION TO FOLLOW

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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